





## No Matter What Britain Does

Ireland Is Staying in Europe  
—And Reinforcing Its Links

DUBLIN, March 10 (IHT).—It has been solemnly announced on the front pages of the Dublin newspapers that, beginning today, direct telephone dialing from Ireland to France, Luxembourg, Andorra and Monaco will be possible.

Perhaps to show that Ireland, at least, intends to keep its island anchored to the Continent no matter what Harold Wilson may

do, the Irish are doing all they can during this first meeting of the European Council to show that, after 27 months of membership, Ireland is firmly committed to Europe.

The eight other EEC chiefs of government and state have been drifting in throughout the day for their two-day session in Dublin Castle, mainly devoted—once again—to whether Britain will ever make up its mind.

## A Clear Message

But the Irish are not about to be upstaged during their world diplomatic debut. The message is being made quite clear here that a British decision to leave the European Economic Community would not be followed by the Irish.

Although Ireland held a referendum before joining the EEC (63 per cent for), it was an act of Parliament that took the republic into the community. And come what may, there will be no referendum on Ireland's staying in. The British already have announced their referendum for June and the Danes will have one if the British vote to leave. The Irish believe that such decisions should be made by Parliament.

Even the unique character of this summit meeting has been ignored in the desire to get the British question settled. This is the first meeting of the European Council, the new term to designate semiannual institutionalized sessions of the nine government leaders. The idea is to have done with the expectations and deceptions of former EEC summit meetings, and make the council meetings as un-dramatic and businesslike as ordinary national cabinet meetings.

As present chairman of the EEC Council of Ministers, Iruy has it that it is the Irish who are presiding over this first council meeting and who are in the chair while the future of Britain is decided.

Proposal to Cabinet

There is likely to be a great deal of secrecy here tomorrow so that Mr. Wilson can take his final terms back to London and present them to the Cabinet. Cabinet approval will be the next step so that the government may recommend that the nation vote to remain in the community.

Yet finally, very little will have been gained for Britain during the process, and a great deal of goodwill and British prestige have been lost. The Labor party intended negotiation as a campaign issue and a means of keeping together a party badly split on the subject of Europe.

Oil-Price Cut  
By Algerians

(Continued from Page 1)

lively promised would have strong political repercussions.

In Dubai, sources said that the United Arab Emirates will cut its fiscal 1975 budget 40 per cent and reduce financial aid to Egypt, Syria and Jordan.

Abu Dhabi, the wealthiest of the emirates, is reviewing its \$600-million budget to make cuts in education, public health and foreign aid, the sources said.

Abu Dhabi was particularly hard hit because its oil has one of the lowest sulphur contents and hence its price was one of the highest. Although OPEC decided at a meeting in Vienna last month to hold the price line generally, they agreed that small adjustments could be made for special cases.

Mr. Oteiba today said rationing production was the only way to meet the excess of crude on the world market.

"It is not a high surplus," he said. "But if no unified system for rationing is reached, the oil-producing countries might be obliged to resort to harmful unilateral procedures to lower prices or cut production."

He accused the major oil-consuming countries of forming a "consumers' cartel" and said the international oil market is no longer a free mechanism.

"It is no more acceptable to speak of free-market forces while seeing the consuming countries carteling and systematizing retaliation mechanisms which they call a safety net," he said.

Senegal Warns  
On Emigrants

DAKAR, Senegal, March 10 (UPI).—President Leopold Senghor has warned that Senegal will apply sanctions against those who mistreat African immigrants in France.

"Sanctions will be taken against the authors of brutalities striking African immigrant workers or students residing in France," Mr. Senghor said yesterday on returning from the Franco-African summit meeting in Bangui, Central African Republic. He did not describe the sanctions or explain how they would be applied.

Mr. Senghor added that French President Valéry Giscard d'Estaing said at the summit that he had opened an investigation into alleged mistreatment.



STROLL—President Lon Nol in palace gardens.

Lon Nol Receives Journalists  
To Disprove Rumored Flight

By Jacques Leslie

PHNOM PENH, March 10.—"I wish you a nice morning," President Lon Nol told a small group of journalists who were taken to his palace residence yesterday. That is, in fact, all the President said, for the purpose of the meeting was not to discuss the deteriorating military situation or, for that matter, to discuss anything at all. Rather, the session appeared designed simply to kill rumors that Marshal Lon Nol and other government leaders had fled the country.

According to the rumor, a mysterious caravan of black cars Saturday went to Pochentong, Phnom Penh's frequently rocketed airport. Several officials were said to have emerged from the cars and boarded a commercial jet just before it left for Bangkok. It is indicative of the tension among government officials and foreigners in this besieged city that, without any hard evidence, some residents jumped to the conclusion that Marshal Lon Nol had secretly boarded the plane.

Journalists yesterday were allowed to observe the 62-year-old marshal as he went for a walk with his wife, two small daughters and about 10 soldiers. Partially paralyzed since he suffered a stroke in 1971, he walked haltingly with the aid of a cane through a garden in the palace grounds. Journalists were told before the visit that the President would not answer any questions. But Brig. Gen. Ith Suong, commander of the 9th Division whose chief responsibility is to protect the palace, said, "The situation has ameliorated a little bit. The enemy cannot reach its objective. It can fire rockets, that's all. His assessment is generally thought to be optimistic."

Gen. Ith Suong was one of five generals in the palace grounds yesterday. The residence, a modest building next to the now largely unused Chamean Mon Palace, is protected from rockets by thick sandbag fortifications. The marshal spends most of his time inside the residence.

The palace area is one of the few spots in Phnom Penh exempt from the severe power rationing introduced recently. Journalists waited to see the marshal in an air-conditioned visitors' room.

A calendar on the wall of the room seemed to embody the beliefs and the almost certainly unrealistic hopes of the Lon Nol government. Published by the army psychological warfare department, the calendar shows paintings portraying Communist atrocities for each of the months from March to July. These include rape, women being burned at the stake and the killing of infants.

But the painting accompanying the August chart is more hopeful, showing an angry Cambodian waving a Phnom Penh government flag while chasing away Khmer Rouge soldiers. September shows more Khmer Rouge atrocities, including the slow killing of Buddhist monks through dozens of knife cuts. But in October the Communists are again shown fleeing.

In November, Cambodians cheer as a dove of peace appears, and in December, a triumphant Marshal Lon Nol holds up a book emblazoned with the slogan, "Neo-Khmerism" (New Cambodianism). Contrary to the calendar's depictions, however, many observers doubt that the regime will last more than a few more months.

(Los Angeles Times)

## Mafia, CIA Reportedly Plotted to Kill Castro

(Continued from Page 1)

sion, according to a number of federal investigators.

In a book called "The Politics of Heroin in Southeast Asia," Alfred McCoy, then a Yale student, charged in 1973 that Corsican and American syndicate gangsters had become involved in the heroin trade from Laos, Burma and Thailand. He also wrote that such information was well known to many officials of the CIA and that they had done nothing to stop such activities.

Denials issued

High officials of the intelligence agency, including William Colby, the present director, and Cord Meyer, now the station chief in London, denied the allegation at the time.

Mr. McCoy quoted Edward Lansdale, a high-level CIA operative in Southeast Asia, as telling him in 1971 that he had met with Corsican mobsters and informed them he would take a hands-off attitude toward them. "We had some kind of truce," Mr. McCoy quoted Mr. Lansdale as saying.

A number of past and present CIA agents told The Times in interviews shortly after Mr. McCoy's allegations were published that agency officials repeatedly looked the other way in the 1960s because the Southeast Asian drug trade was considered to be helpful to anti-Communist forces.

Sam Giancana, a Chicago racketeer chief with long-time connections in Cuba, is believed by some investigators to have aided the CIA in spring efforts against Premier Castro.

Spying Aid

In August, 1963, Sandy Smith, a crime reporter for the Chicago Sun-Times, quoted Justice Department sources as saying the CIA had apparently helped Mr.

Giancana spy on his girlfriend, Phyllis McGuire, one of the singing McGuire Sisters, sometime in 1961.

Mr. Smith, now a Time magazine reporter who is highly respected for his reporting on organized crime, wrote that Mr. Giancana had become concerned because a prominent nightclub singer was becoming too atten-

tive to Miss McGuire and the CIA apparently decided to help him confirm his suspicions.

In a series of interviews late last year, a former undercover agent for the CIA in New York City alleged that he and other agents "had some dealings" with the Mafia. He refused to permit his name to be used. In a recent statement to a House subcommittee, Mr. Colby said that he had been unable to identify the man and, therefore, believed him to be "a fabricator."

Senate Unit Seen Forming

WASHINGTON, March 10 (AP).—President Ford wants a Senate committee rather than the Rockefeller commission to investigate allegations of CIA involvement in plots to assassinate foreign leaders, his chief spokesman said today.

Press Secretary Ron Nessen acknowledged that such an inquiry would be outside the mandate of the commission, headed by Vice President Rockefeller, which is investigating allegations of domestic spying by the CIA.

Referring to a Senate Foreign Relations subcommittee headed by Sen. Frank Church, D-Idaho, Mr. Nessen said, "It certainly would be appropriate for the Church investigation" to look into alleged CIA involvement in foreign assassination plots.

Kissinger Aide Visits Argentina

BUENOS AIRES, March 10 (AP).—Secretary of State Henry Kissinger's assistant for Latin American affairs held talks here yesterday under strict security as leftist guerrillas struck on his first stop on a tour of Latin America by bombing a U.S.-owned auto plant.

Assistant Secretary of State William Rogers met with U.S. businessmen and Ambassador Robert Hill in the morning, then conferred for six hours with Foreign Ministry officials on the Ford administration's "new dialogue" with Latin America.

Police confirmed a claim by the Montoneros, leftist Peronist guerrillas that they blasted with hand grenades Chrysler-Peugeot automobiles on a production lot in San Justo, about 15 miles west of here, last night. Police said damage was extensive but there were no casualties.

Sadat Held  
Optimistic on  
Kissinger Bid

Chance of Success  
Seen at Least 80%

From Wire Dispatches

ASWAN, Egypt, March 10.—Egyptian President Anwar Sadat reportedly said today that there was at least an 80-per-cent chance that Secretary of State Henry Kissinger would produce a new military disengagement agreement between Egypt and Israel.

Mr. Sadat was said to be highly optimistic about the prospects for an agreement when he spoke at a closed meeting at the presidential villa here attended by Premier Abdel Aziz El-Sisi, leading members of the Cabinet and the country's most influential journalists. All of them were suddenly summoned yesterday to come here from Cairo.

Mr. Sadat was reported to say that there was a "10 to 20-per-cent" chance that Mr. Kissinger will fail in his current mission to the Middle East.

Mr. Kissinger had put his chances of success at only 50-50, but Washington reports have suggested that he was deliberately underestimating his chances of success.

Earlier today, informed Egyptian sources confirmed that Mr. Sadat had made concrete proposals in written form for Mr. Kissinger to take to Jerusalem. The sources said that Mr. Sadat and Mr. Kissinger had gone over detailed maps delineating the areas from which Egypt expects Israel to withdraw if a new agreement is concluded.

In the meeting today, Mr. Sadat gave no hint of what his proposals may have contained and limited himself to stating the limits of Egyptian concessions, members of his audience said.

Basic Demands

They said he pledged that Egypt would not accept an agreement departing from the basic demands made by all Arab governments—that Israel must withdraw from all territories it occupied in 1967 and that the Palestinians must be able to create their own state.

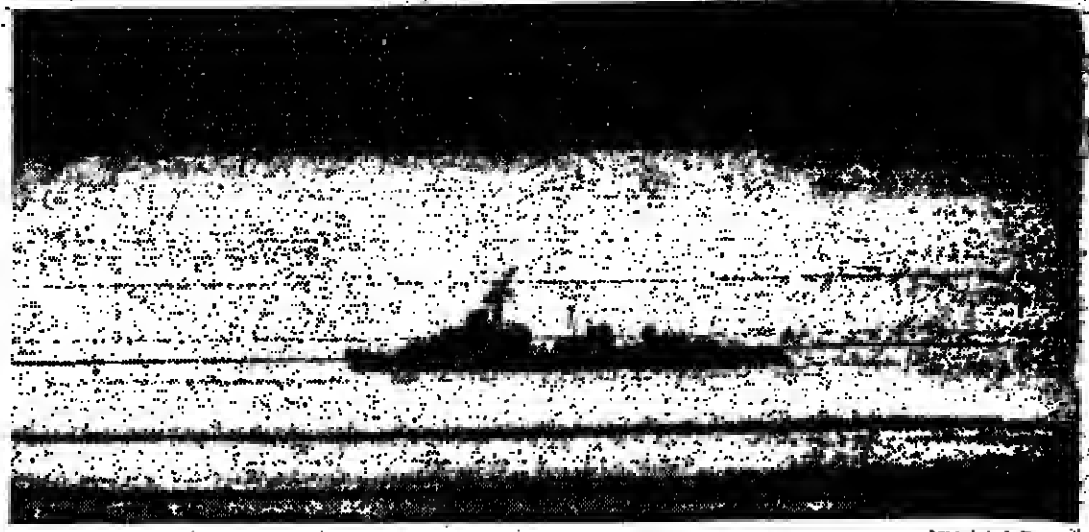
Within these limits, Egypt would be "understanding, reasonable and flexible," Mr. Sadat was quoted by his listeners as having said.

The crucial issues that Mr. Kissinger is attempting to solve during his Middle East trip center on the assurance that the Israelis have been demanding against a new war in return for a second-stage withdrawal of their forces in the Sinai.

Egyptian officials hinted privately today that an accommodation on this point could be found if Israel settled for some sort of general declaration rather than a formal statement of nonbelligerency.

NATO Ministers' Date

BRUSSELS, March 10 (Reuters).—The spring meeting of NATO foreign ministers will be held here on May 29 and 30.



Israeli military photo allegedly showing the Egyptian destroyer in Suez Canal.

## Israel Protests Over Destroyer at Canal

TEL AVIV, March 10 (UPI).—Israel has complained to the United Nations about the passage of an Egyptian destroyer through the Suez Canal as a possible violation of the troop disengagement agreement concluded a year ago, a UN spokesman said today.

The vessel was a Soviet-built Shkory-class destroyer, Israel said it sailed north to south through the canal Friday. It complained to the UN the same day.

An Israeli military source said passage of the ship was part of Egypt's continuing buildup of naval strength in the Gulf of Suez and the Red Sea. The Abu Rudeis oil fields captured by Israel in the 1967 war are on the southwestern Sinai shore of the gulf.

Egypt has said that, although the canal has been virtually swept clean of explosive materials and sunken wreckage, nothing but small craft have sailed through the 102-mile-long waterway.

The destroyer is armed with 130-mm cannons. The disengagement pact forbids guns of more than 122-mm in the "limited forces zones," which cover the canal.

But the UN spokesman said that whether the passage of the ship violated the agreement is a matter of interpretation. He said the accord could be interpreted to mean only those guns which are in fixed positions and are in motion, as they would be on a ship.

"We are not sure it's a violation," the UN spokesman said. He said it was the first complaint from Israel about Egyptian warships in the canal.

A slightly blurred photograph of the ship in silhouette appeared on the front pages of the nation's morning newspapers. The photograph apparently was taken with a telephoto lens at least 12 miles east of the canal, where Israeli forces have built a new defense line. The line includes observation towers that rise to the height of a 13-story building. The canal is easily visible from the towers.

Iraqis in Big Attack on Kurds As Iran Halts Aid to Rebels

From Wire Dispatches

GENEVA, March 10.—The International Human Rights Federation said today that Iraqi forces have launched a large-scale offensive against Kurdish rebels in the wake of the agreement between Iran and Iraq to end their undeclared border war.

The federation's secretary-general, Jean Claude Luthi, said that Iran has closed its border with Iraq and cut off the Iranian flow of supplies to Kurds in northern Iraq.

Meanwhile, the Iraqi state radio reported that the country's Revolutionary Command Council and the ruling Ba'ath party leadership unanimously approved today the four-day-old agreement with Iran. It provides for settlement of the Iranian-Iraqi feud over the Shatt al Arab waterway and bans infiltration across the common frontier.

The Iraqi radio said that in a joint session the country's two top governmental bodies also pledged to "faithfully implement the entire agreement, in letter and spirit."

Iraqi newspapers said the infiltration "has meant an end of Iran's support for the Kurds led by Gen. Mulla Mustafa Barzani, who has been seeking independence for his people since before World War II."

Mr. Luthi charged in messages to Secretary-General Kurt Waldheim of the United Nations, the International Red Cross and Prince Sadruddin Aga Khan, the UN high commissioner for refugees, that the Kurds are threatened with genocide. He asked that the UN and Red Cross leadership intervene to save the million persons in the area.

The Human Rights Federation is a nongovernmental organization which has consultative status with the United Nations.

The Baghdad government forces began the attack early Friday all along the Kurd-Iraqi front, according to reports reaching Paris from official sources in the Middle East.

In Washington, high Ford administration officials confirmed that Iraq had attacked in force but could provide no information on the dimensions of the offensive.

The reports in Paris said that the Iraqi attack was launched with six divisions, including infantry and armor.

At noon Friday, after an earlier attack, the Iraqi forces were reported to be in the area.

Battle Raging In S. Vietnam

(Continued from Page 1)

but there was no way of confirming the government's claims.

Cambodia Area in Peril

PHNOM PENH, March 10 (UPI).—The last province in Cambodia held by the government, and the richest agricultural land, is in immediate danger of capture by the Khmer Rouge, according to reports reaching here.

The Communists have gained ground in northwestern Battambang Province and are threatening the town itself.

Battambang Province has 1 million inhabitants. Since the beginning of the year the Khmer Rouge have been stepping up efforts to seize the town and province.

They have considerably more troops than the defenders of Battambang. The government has been reported to have less than 1,000 men under arms, mostly territorial troops. Estimates of Khmer Rouge strength vary. But it is likely they have at least three times as many.

There is widespread fear in Battambang that the Khmer Rouge will attack the town between now and March 18, the fifth anniversary of the fall of Prince Norodom Sihanouk. Those who have recently returned from the provincial capital say that the Khmer Rouge are advancing against little opposition.

Mr. Kissinger, who strongly opposed the aid cutoff to Turkey, has not been personally criticized here for the measure. "Open rivalry," he said, "tends to express our pleasure at visiting our old and trusted ally Turkey."

"It is a relationship which we value and which I have come here to strengthen."

"We will do our best to settle together and to discuss together all the complex issues that confront both of our nations," he said.

In his talks with President Fahri Koruturk, Foreign Minister Melih Erenel, caretaker Premier İsmail Bulent Ecevit, the political leader who is expected to be the front-runner in the next elections, Mr. Kissinger was expected to stress that aid would probably be restored by Congress once significant progress was made toward a Cyprus solution.

Kissinger Meets With Turks  
After Intense Talks in Israel

(Continued from Page 1)

Minister Shimon Peres to ask Mr. Kissinger again whether Israel should feel secure with a peace from Iran, particularly with Iran making major efforts to improve its ties in the Arab world, Israeli sources said.

In describing the talks he has held with Israeli and Egyptian officials, Mr. Kissinger has been cautious and has advised newsmen to take account of the difficulties involved.

He described his talks with Mr. Rabin and the other Israelis in this way to the newsmen aboard his Air Force plane flying from Israel to Turkey:

"We are in the beginning of a negotiation which will go on for some time. We are very carefully examining all elements and ideas that go into an agreement. The talks were in a friendly and comradely atmosphere. We have encountered no unanticipated problems."

Mr. Kissinger also made an unusual appeal for newsmen to understand the necessity for all sides to keep their talks secret in this preliminary stage of negotiations.

If there ever was a time for "quiet diplomacy," he said, it was now, and "you can't expect a daily progress report during this period of exploration."

Apparently facing what Mr. Sadat on Saturday night called "a very hard round" of negotiations, Mr. Kissinger wants to be able to secure compromises from the Israelis and Egyptians without their fearing that the every move was under critical scrutiny from opponents of an agreement.

The Egyptians have come under sharp criticism from Syria and the Palestine Liberation Organization for showing a willingness to negotiate with Israel unilaterally.

Mr. Kissinger's trip to Ankara was set up suddenly over the weekend following his meeting in Brussels Friday with Greek Foreign Minister Dimitrios Biliakos.

This was the first high-level Turkish-American meeting since the congressionally imposed suspension of military aid to Turkey went into effect Feb. 5 and the Turkish press speculated that the restoration of the aid would be a major topic.

But Mr. Kissinger planned to discuss the aid only indirectly. His main concern was to insure that a new round of talks between Greek and Turkish Cypriots could begin soon with an agreed upon number of issues to discuss.

Mr. Kissinger, who strongly opposed the aid cutoff to Turkey, has not been personally criticized here for the measure. "Open rivalry," he said, "tends to express our pleasure at visiting our old and trusted ally Turkey."

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Sihanouk Disputes Ford

PEKING, March 10.—Prince Sihanouk said today that the Ford administration is deluding itself if it believes the argument it has made to Congress in plans for additional arms shipments to Phnom Penh.

In an interview in his Peking residence, the Prince said that a discussion he held last night with one of the leaders of the Khmer Rouge was marked by a common resolve not to accept a compromise whatever decision Congress makes.

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## Developed World Is \$67 Billion in Red

Oil Cartel's Trade Surplus  
Grows by \$74 Billion in Year

By Hobart Rowen

WASHINGTON, March 10 (AP)—The oil cartel's trade surplus last year leaped to a spectacular \$74 billion, compared with \$1 billion in 1973—a \$74-billion increase, an analysis of data released yesterday by the International Monetary Fund shows.

The same time, the developed industrial countries showed a \$67-billion trade deficit, or more than three times the \$21-billion deficit of the year before, a reflection of the vast increase in world trade and finance by a quadrupling in the price of oil.

A poor or less-developed country not in the oil bloc have been hard hit. Their trade last year stood at \$26 billion compared with \$12 billion in 1973.

Exports by a group of 17 oil-producing countries, according to IMF, tripled in value from \$1 billion in 1973 to \$3 billion in 1974, despite a slight drop in volume of oil exports.

The countries are Algeria, Bahrain, Brunei, Ecuador, Gabon, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates and Venezuela.

Their expansion in exports was the greatest recorded by any group of nations. It accounted for 17 per cent of all world trade in 1974.

Imports Up, Too  
At the same time, the cartel was able to expand its imports by 69 per cent, from \$21.3 billion in 1973 to \$36 billion in 1974.

The \$183 billion earned by the oil group is exactly 10 times the value of its exports in 1973. Figures published a month ago show that the cartel's international reserves had soared to a total of \$43.2 billion, or 30 per cent of the world figure, with Saudi Arabia ranking third behind West Germany and the United States.

Data on monetary reserves for the month of January were not complete but sizable new accumulations reported for Kuwait and Iran indicate that this trend is continuing.

The trade shift in favor of the oil cartel brought deficits to almost all other countries. Industrial Europe, for example, which had a \$18-billion deficit in 1973, saw it grow to \$28.8 billion in 1974. The U.S. trade deficit, according to the IMF's tally, swelled from \$2.3 billion in 1973 to \$5.5 billion in 1974.

The value of world exports as a whole increased by 43 per cent from \$519 billion in 1973 to \$768 billion in 1974, while imports rose 44 per cent from \$520 billion to \$764 billion. This seemingly great expansion, however, was due almost entirely to the increase in the prices of oil, other commodities and manufactured goods.

The United States continued to be the world's No. 1 exporting country, with a 36 per cent gain to \$98.5 billion in 1974. But West Germany remained hard on the U.S. heels, with a 32 per cent gain to \$88 billion. Alone among major countries, West Germany had a trade surplus rising to \$20 billion in 1974, compared with \$13 billion in 1973.

The statistics also show that from October of last year to January of this year, there has been a modest increase of about \$1.5 billion in world gold reserves, valued at the official price of \$422 an ounce. About \$500 million of the increase shows in U.S. reserves and most of the rest in those held in Western Europe.

Enough unable to substantiate Mr. Perotti's allegation that charges concerning Mr. Vesco, Mr. Leblanc were covered up, the study released yesterday.

The study, prepared by the staff of the Senate Permanent Investigations Subcommittee, concluded that a government informant, Frank Perotti, "was in his charge that federal did not properly investigate a lead suggesting that Mr. and Mrs. Vesco, and Mr. Leblanc, were involved in a plan to smuggle 100 to 200 tons of heroin into the United States."

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SYDNEY FLOODING—Cars move through water on Sydney's Prince's Highway after 5 inches of rain fell on city yesterday morning—heaviest rainfall on record.

## Survey of Recent Studies

## Knowledge and Unknowns of Birth Control

By Jane E. Brody

NEW YORK, March 10 (NYT).—How safe are the various methods of birth control?

The following is a summary of the current knowledge and the unknowns as gleaned from the findings of recent studies on the subject.

## The Pill

Oral contraceptives, first marketed in 1960 and now used by 10 million American women, have always been associated with a number of annoying but minor side effects, including nausea, headache, breast tenderness and fluid retention. These are far less common today with pills containing a tenth of the hormone dose of the original pills.

Nonetheless, after one year 20 per cent of new pill users discontinue the method because of such discomforts.

On the other hand, the pill offers a number of good "side effects" to many women—regular menstrual cycles, little or no cramping, shorter and lighter menstrual periods and less premenstrual tension.

The most common serious hazard caused by the pill is an increased tendency of the blood to clot, resulting in an increased risk of thrombophlebitis (clots in the leg veins) and pulmonary embolism (clots in the lungs), stroke and possible heart attack.

This problem results in a four-fold greater risk of disease and death among pill users. Yet the absolute risk remains very small—1.5 deaths from thrombophlebitis disease per 100,000 women aged 20 to 34 and 3.3 per 100,000 women aged 35 to 44.

Recent studies have indicated that this risk has declined now that the level of estrogen has been reduced.

The pill has also been shown to cause a slight elevation in blood pressure in many users, and pill users also have twice the usual risk of gallbladder disease.

The pill has also been found to bring out certain metabolic abnormalities, such as a decreased ability to handle sugar in some women already prone to the condition.

With regard to cancer, the early fears that it has not been borne out. Nonetheless, experts like Dr. Roy Hertz, reproductive endocrinologist at George Washington University Medical Center, are still worried. He estimates that it will take 10 years before the question of cancer and the oral contraceptive is settled.

## Intra-Uterine Devices

Like the pill, annoying but minor side effects are the most common complications of the intra-uterine device or IUD, which is used by 3 million to 5 million American women.

Most frequent complaints are heavy and prolonged menstrual bleeding and menstrual cramps, causing up to 20 per cent of IUD users to request removal of the device within a year.

More serious side effects are relatively rare. The nationwide survey by the Center for Disease Control indicated that 2 to 10 IUD-associated deaths occur yearly among one million users, with complications necessitating hospitalization occurring at a rate of 3 to 10 per 1,000 users each year.

The hospitalization rate is five times higher than that of the pill, but the death rate is only one-fourth as great.

The most common serious complication associated with the use of the IUD is infection. However, the evidence indicates that the IUD does not cause pelvic infection; rather, it seems to increase the severity of an infection (including gonorrhea) should one occur. If treatment is delayed or inadequate, such infections can sometimes lead to infertility.

Whatever type of IUD a woman has, a pregnancy that occurs with the device in place is more likely to end in miscarriage.

Diaphragm, Condom and Foam  
No serious side effects have been attributed to any of these methods. However, occasional individuals have a sensitivity or allergy to the chemicals involved or to the rubber, causing irritation or swelling.

Recently, an advisory committee of the Food and Drug Administration found that several brands of contraceptive jelly and cream (including the best-selling brand, *Koromex*) contained a mercury compound. Its effects are unknown, but since mercury can cause birth defects, it is possible that pregnancies that occur in spite of the chemical's use may result in an increased incidence of birth defects. It is not known whether the woman or her partner absorbs any of this chemical.

## Sterilization

The popularity of sterilization has increased, with more than one million sterilization operations now being done annually in the United States, according to estimates by the Association for Voluntary Sterilization.

Sterilization is an operative procedure, less risky for men than for women, but with the possibility of complications in either case.

Vasectomy, the male procedure, can be done in a doctor's office under local anesthesia. The most common postoperative complaints are usually minor and rarely severe enough to prevent a man

## Ecological Dispute Is Over

Work on Alaskan Oil Pipeline  
In Full Swing After Six Years

By Andrew H. Malcolm

SHEEP CREEK CAMP, Alaska, March 10 (NYT).—Work on the Alaskan oil pipeline has begun after six years of litigation, congressional controversy, research, planning, purchasing and, finally, hiring.

More than 10,000 men and women have begun hacking out the route for the more than 800-mile, 48-inch pipeline, the largest private construction project in U.S. history.

If the work goes according to schedule—an unlikely prospect, given the scope of the undertaking and the engineering projects involved—in 30 months crude oil from the rich Prudhoe Bay Field will begin flowing at four miles an hour from the frozen Arctic tundra 789 miles to the ice-free southern port of Valdez.

From Valdez, fleets of tankers, now under construction, will carry the oil to U.S. refineries.

## Test Section

Construction crews already have laid a 200-foot section of pipe near Fairbanks and oil is flowing to test valves and other pipeline gear in rugged winter weather.

Crews are also making final preparations to lay pipe under the frozen Tanana River. Other laborers are working 12-hour days and seven-day weeks to weld pipe and to build roads, pumping stations, construction camps, tanker terminals and other facilities.

The task, at peak periods, will involve about 16,000 workers in the state.

The workers will lay 101,850 sections of Japanese-made steel pipe above ground and below, across fields, swamps and rivers and over icy mountain passes, where the five-ton pipe sections must rise almost vertically. Tons of dynamite will be needed to blast a bed for the pipes in a two-mile section of Keystone Canyon near here.

Oil-related income and development will finance most of the future of Alaska.

In Valdez, which has twice as many liquor stores as grocery markets, the population has more than tripled, to more than 3,000, in 24 months. Alaska Airlines is inaugurating a "Pipeline Express," with direct flights from Anchorage to Houston and Dallas.

Prices have skyrocketed. Twenty-six persons have died in accidents related to the project, mostly plane crashes.

And there is talk of another pipeline, to carry North Slope natural gas either to tankers in the south or across Canada to the United States.

Little remains of the initial pipeline controversy. But as a result of the environmental warnings, the state has dictated pipeline construction regulations.

At the tanker terminal, for instance, crews must suspend underwater blasting from May through August to avoid disturbing spawning fish. In northern Alaska, much of the pipeline will be buried under reindeer routes and the warm pipe will be regraded there to preserve the permafrost.

Here, at the 40-acre Sheep Creek Camp, one of 20 such facilities along the pipeline route, 210 workers are preparing housing for 1,000 others expected within 15 months.

Initially, the pipeline will deliver 600,000 barrels of oil a day to Valdez and, later, 1.3 million barrels.

Two U.S. warships sailed through the Bosphorus yesterday into the Black Sea on a "show-the-flag" mission in international waters disputed by the Soviet Union, port sources said.

They reported the vessels will stay in the Black Sea, where Russia has a major base at Odessa, until March 14 to "conduct naval maneuvers."

The ships were identified as the Richmond K. Turner, a guided-missile destroyer, and an older destroyer, the Vesole. Both are ships of the Sixth Fleet stationed in the Mediterranean.

The Soviet Union claims the Black Sea should only be navigated by the countries surrounding it and in the past has objected to American military presence there.

Colombia-Cuba Ties  
HAVANA, March 10 (Reuters).—Colombia has resumed diplomatic relations with Cuba, becoming the 12th country in the Western Hemisphere to recognize the Fidel Castro government.



Guenter Guillaume

Guillaumes  
Are Charged  
In Spy Case

BONN, March 10 (NYT).—Guenter Guillaume, the alleged Communist agent whose unmasking led to the fall of Chancellor Willy Brandt last May, was formally accused today of high treason and breach of official secrets.

Mr. Guillaume, 48, and his wife, Christel, 47, were arrested last April 24, when he was Mr. Brandt's special assistant for party matters. Two weeks later, the chancellor resigned.

Helmut Schmidt succeeded Mr. Brandt as chancellor, but not as the head of the Social Democratic party, on May 18.

The Guillaumes have been in jail and under investigation in Cologne since their arrest. No date has been set for their trial, which would take place in the State Supreme Court of North Rhine-Westphalia in Dusseldorf.

The indictment itself was not made public, but a short statement by the federal prosecutor's office in Karlsruhe today said Mrs. Guillaume also had been charged with treason and contributing to breach of official secrets.

The Guillaumes are both accused of working for the East German State Security Ministry since 1956, when they left their country and came here, posing as refugees.

For the next 18 years, Mr. Guillaume worked his way up through the hierarchy of the Social Democratic party. He began work in Mr. Brandt's chancellery in January, 1970. When he was arrested, his wife was working in the Bonn office of the Hesse state government.

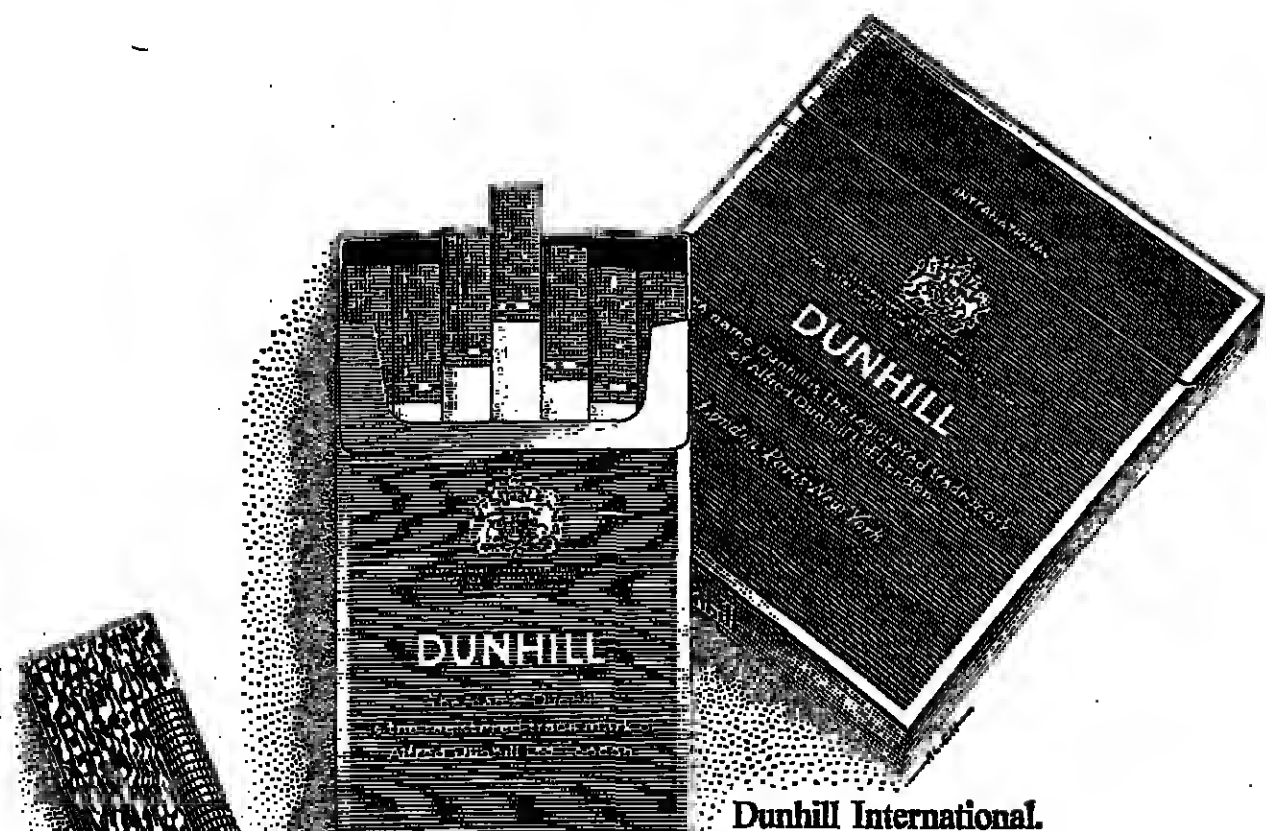
Both are accused of sending "observations and evaluations inside the party and inside their respective places of employment" to East Berlin and of betraying secret files to the East German Communists, thus endangering the national security.



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Eton Weighs Plan for Students  
To Take Over Domestic Chores

LONDON, March 10 (AP).—Students at Eton, Britain's top school for the sons of the wealthy, may soon have to sweep out their own classrooms and dormitories to eliminate the cost of paying charlades.

"It would be very useful for the boys," said headmaster Michael McCrum. "They'd learn that in the modern world you cannot always have people doing these things for you."

Eton, 22 miles west of London, is attended by boys of 11 to 18 years of age.

Headmaster McCrum said he is studying a plan to cut the school's annual labor bill by putting the young men to work—even though their families each pay \$12,257 (about \$3,100) a year in fees.

The idea is to get the boys to form a company that would be paid to handle the domestic chores. The young men would be paid, but much less than the charlades.

Mr. McCrum said the plan should save the school up to \$25,000 a year. But he said a snag is that the plan could interfere with Eton's curriculum.

"If the boys are making beds, cleaning the houses and classrooms and washing up after meals, the time has got to come from somewhere. We've already got a very tight schedule," Mr. McCrum said.

However, he said, "it would give the boys a sense of purpose and status. They wouldn't be able to pay them much, of course—maybe about as much as you get in reform school."

Senate Panel  
Endorses Two  
Disputed Aides

WASHINGTON, March 10 (AP).—The Senate Foreign Relations Committee today approved two controversial diplomatic appointments despite opposition based on their involvement in CIA covert activities in Chile.

Recommended for confirmation were Nathaniel Davis to be assistant secretary of state for African affairs and Harry Shlaudeman to be ambassador to Venezuela.

Mr. Davis was ambassador to Chile from 1971 to 1973 and Mr. Shlaudeman was deputy chief of mission from 1969 to 1973 during events leading up to the overthrow of the late President Salvador Allende.

President Ford acknowledged in September that the CIA had granted assistance to opposition groups and news media in Chile to preserve political opposition to Allende's Marxist regime.

The Council of Foreign Ministers of the Organization of African Unity adopted a resolution noting the tenure of Mr. Davis in Chile and formally expressing concern about possible extension of U.S. political destabilization policy to Africa.

Members of the black congressional caucus formally asked Mr. Ford to withdraw the Davis nomination.

Paris Bomb Claims Life  
PARIS, March 10 (AP).—A 20-year-old French airman injured when a bomb exploded in a luggage locker at the Gare d'Orly airport station here last night died in a hospital of head injuries today. Six other persons suffered minor injuries.

S. African Police  
Pull Back From  
Rhodesia Combat

JOHANNESBURG, March 10 (AP).—South African paramilitary forces in Rhodesia have been withdrawn from all forward combat positions, the Rand Daily Mail reported today.

The newspaper said the pull-back was ordered in an effort to reduce tension in the area and aid a peaceful settlement in the white-ruled former British colony.

South Africa has an estimated 2,000 policemen in Rhodesia assisting in the two-year-old war with nationalist guerrillas.

"The South African men are no longer taking part in the maintenance of law and order on Rhodesia's borders," the newspaper quoted the Rhodesian Army chief, Lt. Gen. Peter Walls, as saying in an interview. The Ministry of Justice confirmed the withdrawal.

It was earlier announced that the police had withdrawn from some forward positions but today's report was the first confirmation of a full withdrawal from the area.

Austrians Identified  
As Terrorist Target

STOCKHOLM, March 10 (UPI).—Two Japanese arrested on terrorist charges are suspected of having plotted an attack against the Austrian Embassy in Stockholm, security police said today.

The two men were caught last week, photographing and skimming a building housing six embassies. A police spokesman said that they later found out that the arrested men had also photographed the Austrian Embassy in Oslo and Copenhagen.



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MUSIC IN PARIS

Solti and 'Don Giovanni'

By David Stevens

PARIS, March 10 (UPI).—With the electrifying presence of Georg Solti in the pit and a cast of superlative and well-known singers on the stage, the 19th-century opera house of the Opéra has come up with a production of Mozart's "Don Giovanni" which will remain a winner as long as it offers singing on the order of that at the first performance day, for visually and dramatically this production—staged by just Everding and designed by just Businger—does not live up to its ambitions often enough to try its weight in what is, after all, merely another singer's

harassing demands made on her by the staging and something of a struggle with the Handelian tenors of "M. tradi."

Among the Men

Among the men, the revelation both vocally and dramatically, was the Leporello of J. de Van Dam. This bass-baritone's voice is as less vigorous and agile as his physique, and the result—no doubt—in collaboration with Everding—was not the usual buffo clown, but a dark, serious, sometimes moralizing, sometimes menacing servant who gives in to the Don only because of the ultimate economic reality of pay day. Physique and voice also made him a plausible substitute for Roger Soyer's Giovanni, and vice versa, when they have to pretend to be each other.

Stuart Burrows struck the right tone as Don Ottavio, splendidly stylish in his two arias and a shade stuffy as a dramatic figure. Richard Van Allen made an un-

Sir Georg Solti, who is conducting "Don Giovanni" in Paris.



usually strong Masetto (like Leporello, more of a threat to the Don than usual) while Jane Bertie's Zerlina was a bit mature, but deliciously sung.

There remains the Don of Soyer, sonorous and dark-hued of voice, smooth almost to a fault in action. Giovanni has two roles, and in both of them vocal agility and brio count for more than pure sound. All else is ensemble. Soyer does not seem to have quite come to terms with this yet.

Social Commentary

Everding and Businger have already collaborated on a similar "Don Giovanni" in San Francisco, so it was a bit of a disappointment to find so uneven a stage realization. Businger's wrought-iron grillwork was more successful at creating a dark Spanish atmosphere than at establishing specific locales, and it evidently was not too flexible, for each of the many scene changes required

a curtain, with deadening effect on dramatic and musical flow. Some of Everding's stage business was amusing and even illuminating, some of it merely makeshift and vulgar, such as Leporello's hideous grab for Elvira at the end of the final scene. The obligatory social commen-

tary was supplied in the manner of the Don's demise. No stone guest to pull the intercast down to flaming hell through a stage trap, but nothing more convincing either. Instead, a large, mobile construction, representing a city in the background, moved forward to swallow up the Don. The late Commendatore was represented only through a loudspeaker in the auditorium, a disservice to the bass Kurt Moll, who is quite capable of producing doomsday sounds without electronic aids.

Solti's presence on such occasions seems to produce an edge-of-the-seat alertness from everyone, in particular the orchestra, but also a nervousness that was translated on opening night by slight breaks in communication with the stage. All the same, it was a weighty, concentrated and vital performance, and one that suggested that the last of the four he is scheduled to conduct will be measurably more so.

France to Sell Time On TV—But No Ads

PARIS, March 10 (Reuters).—France's second TV channel, one of three state-run networks, has decided to sell morning time to private companies to help bridge its budget deficit, broadcasting sources said today.

The companies, including insurance and industrial firms, will broadcast information and advice to personnel around the country or to keep shareholders abreast of latest business progress. They are barred from advertising.

MUSIC IN ITALY

Ronconi's Second Installment of the 'Ring'

By William Weaver

MILAN, March 10 (UPI).—The new production of Wagner's "Siegfried" at La Scala is the second installment in a new "Ring"—the new "Walküre" made its debut last year.

The conductor is Wolfgang Sawallisch, the director Luca Ronconi, the designer Pier Luigi Pizzi. Inevitably, it is the visual aspect of the performance that claims immediate attention.

In approaching Wagner's operas these days, directors seem to have to ask themselves: How far to go? And in which direction, backwards or forwards? Strip the stage bare, or return to 19th-century trappings? Tell the story straight, or interpret it, explain it? Ronconi has made clear decisions. His "Ring" is de-allegorized. Its characters, for the most part, come from the 19th century, not from the misty world of legend. Alberich is dressed in a black suit and beaver coat; he carries a cane. Erda—surrounded by family portraits of Pizich and the Rhine Maidens—looks like an old Dickens eccentric. Siegfried himself wears leather trousers and a sweat-stained blue work-shirt.

Sometimes this approach is stimulating. At other times, it jars or, worse, it diminishes the impact of the drama. The dragon Fafner is shown to be a group of working-class men, defending the gold of capitalism. When their leader is killed, the dragon's blood, vital to the story, is an unrolled length of red ribbon, insufficient to bear the weight of the scene.

But Ronconi has a vivid sense of theater and, with the brilliant

support of Pizzi, he creates one effect after another. The spectator may object to this "Siegfried," but he can't be bored by it. There are sly references to traditional stagings: When the hero first appears, a faded worn canvas forest is briefly pulled up. Then it vanishes, and we are back in Mime's 19th-century, east-iron smithy, complete with coal chute.

There were some good performances at the premiere Friday night, especially by Norman Bailey, a notable Wotan, and Gerhard Unger, a crafty, always musical Mime. Their quiet session in the first act was a tense clash of personalities, a high point in the evening.

Jean Cox, in the title role, looked well and sang with clarity and conviction, though his voice was, understandably, a bit tired by the last act. And the Brünnhilde, Ingrid Bjoner, was strident, so the great concluding duet was not as overwhelming as it should have been. George Fourié was the Alberich, more sly than sinister, but vocally in the part. Birgit Finnilae sang Erda's music movingly.

Sawallisch, at least for the first two acts, conducted in a lackluster, perfunctory fashion. The music plodded along, with many fine points going for naught. In the last act, he came to life, and led the orchestra with greater vigor and interest, but still without much refinement. The orchestra was not inspired to produce its best sound; the strings in particular were often harsh (praise, however, to the horn player who brought off all of Siegfried's clarion calls with accuracy and refinement).

Any judgment on the Ronconi "Ring" must remain in abeyance until he has staged "Rheingold" and "Götterdämmerung." In the meanwhile, his work will continue to provoke discussion—always a good thing in an opera house.

French Minister Asserts Doctors Stall on Abortion

PARIS, March 10 (AP).—Health Minister Simone Veil acknowledged today that many French doctors are dragging their heels on the new abortion law which allows virtually unrestricted abortions at fixed prices up to the 10th week of pregnancy.

Parliament gave final approval to the liberalized bill Jan. 19. Since that date, physicians are not subject to prosecution for performing abortions. But the decrees for application of the law, spelling out technical details, have not yet been issued. Many physicians and hospitals are using the absence of the decrees as a reason for not performing abortions but others are going ahead.

In a radio interview, Mrs. Veil appealed to women's organizations for "tolerance and comprehension" in the face of the delays. She said that doctors "need time to accept a situation which challenges their professional ethics."

Swiss Safety-Belt Law

BERN, March 10 (Reuters).—A new law will compel Swiss car drivers and front-seat passengers to wear safety belts starting on Jan. 1, the Cabinet announced today.

THE ART MARKET

Slow Slide of Business From London to Paris

By Sören Melikian

PARIS, March 10 (UPI).—The center of the art market is slowly sliding back to London from London to Paris. The trend away from London is not dramatic, but London bidders show an increasing interest to sell important works. Last November, Christie's red some remarkable silver at the Hotel Richemond. A magnificent soup tureen, cover and stand, made by Robert-Joseph Argente in 1779, plus 8.5 kilograms, was sold for 100,000 francs, followed by a massive 11 not particularly attractive silver-gilt lion made in many about 1800. They made collectively 96,000 Swiss francs, 35,000 Swiss francs at a time in such prices would have a hard to reach in London rooms.

Another step in that direction taken last week by Sotheby's in it inaugurated its Johannesburg branch in South Africa, an auction of fine English Continental silver. Of great significance was Sotheby's lion to sell some good impressionists and 20th-century works in Johannesburg the following day. Among them were fine works in the O'Hana Gallery in London, sold by order of the heirs of the late Jacques and a lovely sheet of studies in pen and ink and pencil. Renold, which had belonged to Ambrose Vollard, and an oil, "Guernsey," again from Vollard collection and reproduced in the book he wrote on oil in 1913. The sheet of les rose to 11,500 rands (about 75) while the "Rocks at sunrise" remained unsold at 10 rands (about \$17,500), justing to reach its reserve price.

Monet Landscape

the same sale a marvelous landscape, done by Monet in 1867, "Aligues, de Port-Colon," the finest impressionist picture of this caliber offered on the market since last.

It brought 48,000 rands out \$60,000. Only 18 months no art market professional had dreamed of sending works for auction to Johannesburg instead of London, then hub of the world art market. Less revealing of the sales held by Phillips, the 11 des Bergues in Geneva. On 17, Christopher Weston, roman and managing director of English firm, will be coming the auction, emphasizing importance it attaches to event. It will include 18th-century furniture and works of among others, a collection of old books sent by a British lent from Germany. The r are reportedly being sold Geneva at his insistence. In Phillips describes as "the art section" is an important of lithographs by Pierre Bon-

There are two ways of seeing Phillips's choice of Geneva for its auction. One is to see its view that "this is an important step in the European art of Phillips." Its Geneva c was established last year deal with the "increasing ne of business with Central clients" much as Christie and Sotheby's opened their offices some years ago in Geneva and Zurich. The consequence of British auctioneers is ly recognised.

Another Reason

It is in Phillips's case there one other major reason for moving in Geneva rather in London. According to es, two vendors, including owner of the gold boxes, it a condition of the deal, could not have happened uple of years ago, considering the extraordinary scheduled in London this

month, it would be unjustified to over-dramatize the situation. While it will be selling part of Mrs. Alfred Clark's collection of Chinese pottery in one room on March 25, Sotheby's will be auctioning some of the finest medieval manuscripts from the collection of the late Major Abbey in another.

On the following day, the second part of the Vever collection of Japanese prints, the best to be offered on the open market since World War I, will be sold. And with 241 drawings by the Italian master Stefano della Bella coming up on March 18 and one of Van Gogh's most important works still available on the market—a portrait of Palenque Escallier, a shepherd, painted in Arles in August, 1888—to be sold April 15, Christie's has every reason to be pleased. The fact remains, however, that for the first time in art-market annals, London auctioneers take their foreign branches as seriously as they do their London rooms.

At the same time, an improvement has been made in the quality of the works laid on the block in Paris.

Last week, Guy Loudmer auctioned several works of quality at the Palais Galliera. One of the old masters, an oil on panel by Hieronymus Francken II, a Flemish painter who lived in Antwerp (1578-1628), was reasonably good, making 48,000 francs. A sale to be held by the Aden-Picard-Tajan group tomorrow, again at Galliera, includes a fine landscape on panel by Jan Both (Utrecht, 1618-1652) and a genre scene by David Teniers (1610-1690). For the first time in years there is a slight tendency on the French vendors' part to send good old masters to the Paris auction rooms rather than packing them off abroad.

More Obvious

Far more obvious is the rise in quality of 19th and 20th-century masters offered at French sales. At the Galliera sale last week a marvelous drawing in pencil by Modigliani, 49 by 30 centimeters, was bought for 35,700 francs by a French banker who speculates in art, a rare Jean-Baptiste Corot, dated 1874, sold for 149,000 francs; a superb gouache by Elena Vieira da Silva (23 by 15 centimeters) sold for 9,750 francs; and a Chagall of no particular quality was knocked down at a smashing price of 737,000 francs.

All these pictures of high or medium caliber are so many signs of a renewed interest in Paris as a selling center. The question is whether the French auctioneers will make changes in the methods that brought about their defeat to London in the early sixties and recapture the lion's share of the market.

First is the slapdash organization of auctions staged at the 11th hour by some auctioneers. The works finally scheduled to be sold are known at the last moment, allowing too little time for the experts to research the pieces and write their entries. Some of the auctioneers have fallen into the habit of having photographs of the works printed in their catalogues and quietly informing the auction audience that "lot X has not come." Inevitably mistakes are made in the cataloguing, partly because of hasty work and partly because of the tendency to use experts outside the field of their own competence. Correcting these slips is essential for a true revival of the French market.

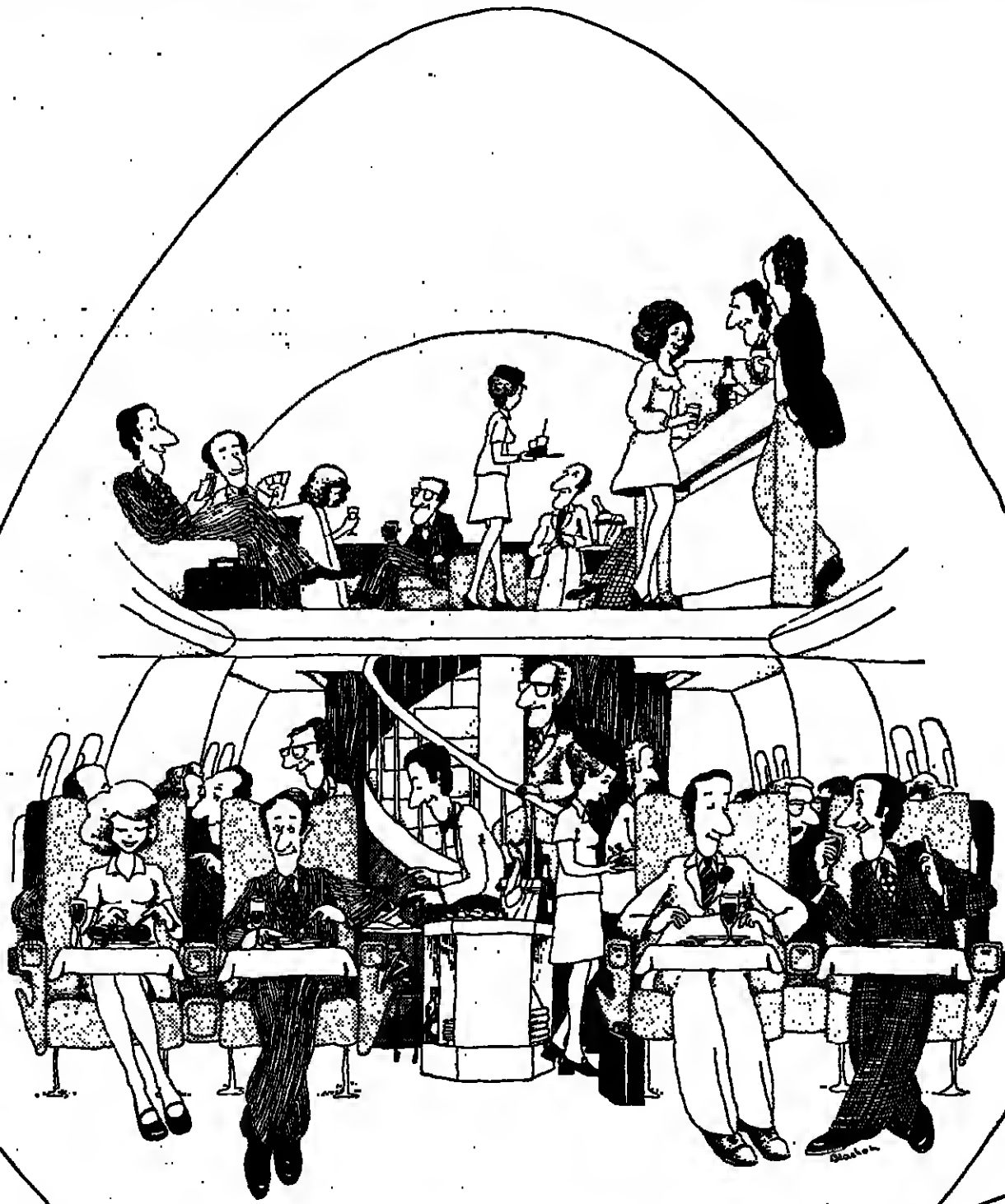
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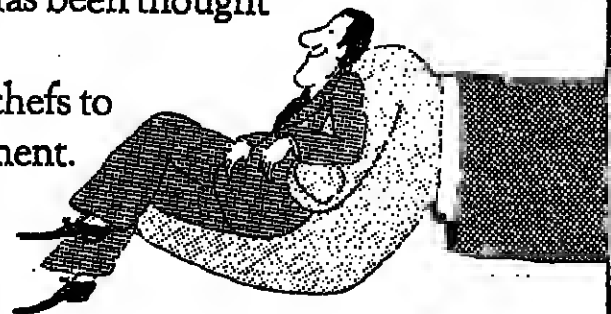
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## Communist Disarray, Too

When the democratic nations of the world consider their internal problems and international disunity, it may provide some consolation to view the state of the Communist parties in the world. True, armed, they are making deep inroads into Southeast Asia. True, in their established homelands, whether the Soviet Union, Eastern Europe, China, North Korea, North Vietnam or Cuba, their governments seem firm enough, except for the shadow of insuring a succession for the aging leaders who predominate in so many of them.

But that question of succession is causing anxiety and party unrest, and the relations among the states are confusing, when not openly hostile, as between Moscow and Peking. Communism has spread far since the end of World War II; no *cordon sanitaire* has been able to confine it. But what has penetrated the barriers that were set up against it is by no means the monolithic structure that fixed dogma and Russian bayonets once seemed to insure.

Consider Western Europe, where the word of Stalin was once holy writ for Communists across the Continent. Aside from such avowedly heretical regimes as those in Albania, Yugoslavia and, to a lesser extent, Romania, Moscow's writ still runs in most of Eastern Europe. But in the West, the manifestations of Communism are complex. In virtually all that portion of the Continent, the most activist elements are not orthodox Communists, but Maoists, anarchists or IRA extremists, groups that scorn the official Communist parties as hidebound reactionaries.

This seems to be true even in Portugal, where the military uprising opened doors to the left, and where the Communists have pushed for a confrontation with the liberal parties. In France, the Communists have followed the classic Popular Front technique of the prewar years, but the front was uneasy and unsuccessful. In Italy, the party is seeking what it calls a "historic compromise" with the Christian Democrats, an effort that goes beyond the Popular Front idea, but it is also driven by internal disputes over past links to Stalinism. Greek Communism is relatively muted, although it was allowed to emerge after (the reverse of the Portuguese experience) the collapse of military rule.

It cannot be assumed from all of this that the success of the Communist party in any given nation would produce results much different from those of the actual Communist sovereignties: "Dictatorship of the proletariat"—meaning the strict control of all governmental and cultural agencies by whatever faction of the party happened at the time to be leading. But this process would not be automatic in countries where the wage earners have organizations that are strong in their own right, and where the habit of public expression of political views is ingrained. Nor can the techniques of winning power be the same as those which Marx preached and Lenin practiced: There is too much disillusionment with the results. The Communist disarray springs from contradictions of Communism at least as real as those contradictions of capitalism which the Communists love to cite.

## Egypt and Israel

Peace is not at hand between Israel and Egypt, but an agreement to reduce the danger of war between these two long-time belligerents is clearly within reach.

Nothing that Secretary of State Kissinger might conceivably accomplish in his current mediation mission will eliminate all threats to Israel's security—last week's guerrilla raid upon the Tel Aviv shorefront gave a timely and tragic reminder of that. Nor, for that matter, can a new agreement guarantee that Egyptian President Sadat will succeed in leading the Arab world into a political settlement—the Tel Aviv raid was the Palestinian extremists' warning to him as much as to Israel.

But in their public and private comments, policymakers in both Egypt and Israel are expressing clear intent to turn a page on the bellicose threats of the past and try designing a new direction for their relations. What Secretary Kissinger is now endeavoring to discover is whether each side is willing and able to pay the price necessary for such a psychological realignment.

Israel's policy toward its Arab neighbors has often been called "intransigent," and sometimes it has been—but on the immediate points at issue as Mr. Kissinger's mediation effort begins, such an accusation seems quite unwarranted now. Israel is prepared to evacuate the three strategic points of the Eastern Sinai on which President Sadat has set his sights—the Abu Rudeis oil fields and the Mitla and Gidi mountain passes. In so doing, Israel will lose a large source of its oil needs and key vantage points from which sophisticated reconnaissance gear could survey any sus-

picious moves of the Egyptian armed forces on the other side of the Suez Canal.

What tangible steps is Egypt willing to take to correspond with this Israeli gesture of conciliation? Secretary Kissinger is seeking a variety of political and economic moves from Cairo, none of them conclusive taken individually, perhaps, but adding up to a visible and convincing statement that Egypt is, as a practical matter, forswearing a military option against Israel.

Beyond those, the Israelis expect some overt acts—if not toward Israel directly, nevertheless conveying clear peaceful intent toward Israel. Deliberate cessation of abusive propaganda, for example, would be meaningful as one gesture. More convincing, indeed, serving Egypt's interests even more than Israel's, would be Cairo's entry upon economic ventures with foreign companies which other Arabs have tried to boycott in the campaign of economic sanctions against Israel.

Egyptian officials are eagerly seeking trade and investment relations with the United States; it makes little sense for them at the same time to cut off many possible sources of technology and equipment. Nor is it convincing for President Sadat to tell Secretary Kissinger of a desire for peace while at the same time giving wholehearted support to a deliberate boycott campaign, an act of economic warfare.

Any new set of agreements with Israel would carry political dangers for President Sadat, just as a further withdrawal from Sinai would create military risks for Israel. But the political and military risks of failure in this effort would be far greater, for Israel and Egypt, and for the world at large.

THE NEW YORK TIMES.

## Promises on Food

The Ford administration's commitment to make increased food aid available to meet this year's severe crop shortages had two stages. The first—pledged in January—was to allot enough money to the program to make a meaningful amount of aid available; the second was to do the actual work necessary to get the food to the countries in need.

While the State Department acknowledged that it would be difficult to ship the full amount allocated for humanitarian aid this fiscal year, it promised to "make a priority effort to expedite shipment" to the most severely affected countries so as to prevent failure.

Among the first requisites for such a priority effort was development by the State

Department of a plan to allocate aid to the recipient countries. Although Assistant Secretary of State Thomas Enders promised to have the allocation plan ready several weeks ago, it is still not available. With the UN Food and Agriculture Organization still showing a four-million-ton food deficit in the world's hungry countries and the crucial shortage period in South Asia rapidly approaching, each day lost jeopardizes fulfillment of the American intentions as set forth by Secretary Kissinger at the Rome Food Conference. Much of that promise can still be redeemed if the secretary moves his department into high gear to do the work necessary to get the food flowing to the countries in need.

THE NEW YORK TIMES.

## In the International Edition

### Seventy-Five Years Ago

March 11, 1900

PARIS—The fire which destroyed the Comédie-Française two days ago, killing one person, has aroused the Parisians to the serious shortcomings of their fire department. All the French newspapers are unanimous in expressing the opinion that if the firemen had arrived sooner, and if they had been supplied with proper apparatus, and had at their disposal a sufficient supply of water, the fire could have been checked in time.

### Fifty Years Ago

March 11, 1925

PARIS—Ernest Hemingway, most of whose literary work has been done here, is soon to have a collection of stories published by Boni and Liveright. He has had both stories and poems published here by the Three Mountains Press, and has been actively associated with the Transatlantic Review. Meanwhile, a new publication has been added to the list of reviews issued in Paris in the English language, "The Quarter," editors Ernest Walsh and Ethel Moorhead.



## 'Nothing but Shame'

By Anthony Lewis

WASHINGTON—For the last dozen years, through assassinations and endless wars and Watergate, some of us have been telling the skeptics that there is an American system worth preserving. In the end, we said, democracy will work. The men of violence, the totalitarians, the anarchists are all wrong. Reject their evil counsel, have faith.

It will be extremely hard to maintain that faith if Congress gives way to the Ford administration's campaign of greed for extra arms aid to Cambodia. For there has probably never been a weaker case—a more empty one—for continued American intervention in a foreign civil war. If Congress does not have the courage to say no this time, when will the system work?

Last December, just three months ago, Congress made an extraordinarily explicit decision about the U.S. role in Cambodia. It put a ring on all aid for the stated purpose of limiting American involvement. Absolutely nothing has happened since then that the Pentagon had not anticipated and fully argued, including the annual dry-season offensive by the Khmer Rouge. So Congress is effectively being asked to say that its December decision was frivolous.

### No Law

Nor is there any rational ground of policy or law or security to send more American arms to the falling Lon Nol government in Phnom Penh. That conclusion is plain if one studies not only the words of the critics but the admirably honest testimony of that tough old Indochina hand who is assistant secretary of state for East Asian affairs, Philip Habib. These points emerge:

1. There is no legal U.S. commitment to Lon Nol; no treaty, no agreement, no congressional resolution. Indeed, Congress, in voting aid previously, wrote into law that it did not constitute a commitment.
2. We have no illusions about Lon Nol. As Philip Habib wrote, it is not the most effective government extant.
3. Even those who still believe in the domino theory cannot claim that Lon Nol's fall would have such effects; Habib said it would not, for example, "make much difference" to the fighting in South Vietnam.
4. Cambodia is not crucial to American security.
5. There is no assurance that additional American aid would affect the eventual outcome of the war, which the Cambodians opposed to Lon Nol have virtually won.
6. Nor is there any assurance that delaying the military aid would lead to a negotiated settlement. There are no negotiations at hand, nor any stated reason to expect them.

In light of those facts, more American military aid—if it has any effect—can only prolong the agony of Cambodia. It is an agony that the United States brought on the Cambodians in the first place, five years ago, dragging them cruelly and unnecessarily into the Indochina war.

American officials in Phnom Penh have advised Washington that the military situation has deteriorated past the point of no return. The only practical question remaining, they say, is whether power can be transferred from Lon Nol in a relatively nonviolent and orderly way.

President Ford, in arguing for more military aid at his news conference the other night, spoke of "humanitarian" concerns. His argument would have delighted George Orwell. For it was new-speak right out of "1984." Ford talked of food and medicine. But not a penny of the \$223 million in extra funds he sought for Cambodia is for food or medicine. All of it is for arms and ammunition.

rightfully want to express it. That is to get out of the country those leaders, including Lon Nol, who have relied on us and cannot properly be abandoned to the Khmer Rouge.

That concern moved Rep. Paul McCloskey, after his trip to Indochina, to suggest that we continue aid until June—to let our friends get out—and then definitively end the American role.

The trouble with the McCloskey idea, as he really knows, is that the administration will only be back for more in June. If we want to "evacuate" people, as Sen. Mike Mansfield has asked, why not do it now?

The seriousness of Congress's claim to an equal voice in government is bound to be judged by the Cambodian decision. There can be no excuse of political obligation. The people who elected this Congress were not for mud in Cambodia. The spotlight will be on the courage of such key individuals as Hubert Humphrey, chairman of the Senate Foreign Aid Subcommittee.

Humphrey and other pivotal figures in Congress recognize the

realities in Cambodia now—their comments at the hearings make that clear. Their unfeigned choice would surely be to vote aid only for genuine humanitarian needs—food and medicine—and to help in the orderly transfer of power.

### Blaming Congress

But there is a political worry on Capitol Hill: that the Ford administration will blame Congress for "losing Cambodia." And so, in the end, the question in these next two weeks of decision will be Congress's courage and will—which is to say, a question of faith in the system.

Ford said the other night that if we let Cambodia fall—let the Cambodians decide their own civil war, that is—"We would have a deep sense of shame." He made me think of the scene in Shakespeare's "Henry the Fifth" after the French defeat at Agincourt, when the Duke of Bourbon takes out his anger by killing defenseless English boys. Before he sweeps down on them, he shouts:

"Shame and eternal shame, nothing but shame!"

## View of Social Security

By George F. Will

WASHINGTON—Anxiety about the solvency of the U.S. Social Security system is understandable but misplaced. The anxiety should be about the economic system that sustains the Social Security system and everything else.

The bad news about the Social Security system is bad but not dreadful: the system is headed for bankruptcy, but will not get there. The good news is gloomy: the system's solvency will be maintained, but at a substantial cost to the nation.

Social Security is a pay-as-you-go system: today's benefits are paid by today's workers' taxes. The system is headed in the direction of bankruptcy in the sense that benefits now exceed revenues, and the system's reserves can only make up the difference until the 1980s.

### Deficit

Substantial new revenue-raising measures will be necessary for the system. The system now has an actuarial deficit of at least \$13 trillion over the next 75 years, adjusted to present value—and this deficit projection is based on some unreasonable optimistic assumptions, e.g., a long-term inflation rate of 3 per cent.

An independent report for the Senate Finance Committee says that the actuarial deficit could be halved if the tax on Social Security benefits were raised to 15 per cent, and if the tax on Social Security income were raised to 10 per cent.

The system's financial problem is a product of Congress, inflation, unemployment and demographic factors.

Congress has "indexed" benefits, linking them not only to the Consumer Price Index, but also to both wage and price increases. Thus future benefits will increase even faster than inflation, and eventually—how soon depends largely on the long-term inflation rate—retired workers will receive benefits larger than the wages they earned.

Such high-power indexing makes double-digit inflation a disaster: wages, and hence revenues, increase slower than benefits. Of course, high unemployment widens the gap. And demographic factors—declining birth rates, the growth of the retired population relative to the working population—compound the disaster for a pay-as-you-go system.

as-you-go system. In 1965 seven workers paid Social Security taxes for every beneficiary. Today the ratio is three to one, and by early next century the ratio will be two to one.

Even if the problem is "only" \$13 trillion—with market interest rates compounded over 75 years—it cannot be solved by traditional Social Security financing measures. These measures are increases in the flat tax rate or in the level of income to which the rate applies. The tax is regressive and inflationary, and political and economic considerations preclude relying on the tax to raise the required revenues.

Social Security taxes have increased at a compound annual rate of 17 per cent since 1949. Since 1971 the maximum annual Social Security tax bill has more than doubled for wage-earners from \$405.50 to \$824.85, with employers paying a like amount.

The impact of this flat, regressive tax on lower-income individuals has virtually matched, and hence nullified, tax relief Congress has tried to grant on lower-income individuals. And such a payroll tax is reflected in the price of goods and services.

On Jan. 1 Social Security taxes rose again. The 5.85-per-cent rate remained the same, but the taxable portion of each individual's income rose from \$12,000 to \$14,100, a tax increase affecting 10 million Americans—one out of every five persons covered by the system.

It is written in letters of flame across the sky that the Social Security system cannot be run forever as it has been run—by politicians anxious to increase benefits, reluctant to increase taxes. Social Security, like the nation, is approaching a day of reckoning; bills are coming due.

Congress probably won't cut scheduled benefits. It probably will increase the tax rate; and increase the taxable portion of an individual's income; and then pour large sums of general revenues into the system.

### More Taxes

This could mean increasing by tens of billions of dollars annually the taxes on labor and capital, leading to slower growth of capital, real income and the economy.

Slow economic growth will have a shattering effect on the Social Security system's sensitive actuarial assumptions, causing an implosion. For every percentage point difference between real wage growth and inflation, there is a staggering growth of the system's actuarial deficit which, in turn, requires additional tax revenues with additional adverse consequences for economic growth.

Congress, which made the Social Security system what it is today, must find a way to reform it without sending the economy into a permanent downward spiral.

## John Dornberg

### From Munich:

... There is no question that Lorenz's abduction and the release of the five anarchists has created a new political situation.

MUNICH—A week after the release of Berlin's kidnapped Christian Democratic leader Peter Lorenz, a tenuous political lull has settled over West Germany.

In West Berlin a thousand policemen are still chasing down countless rumors, tips and clues, but they appear to be no closer to tracking down Lorenz's abductors than they were on the morning he was spirited away.

The five anarchist beneficiaries of the hostage-taking were still in Aiden. But a South Yemeni diplomatic source has disclosed that they are considered undesirable and would have to leave. No one was willing to speculate on their next destination.

### New Threat?

There is a persistent but unconfirmable report that Bavarian police and security officials have received a threat from the minuscule terrorist group that calls itself the "Second of June Movement" to abduct or assassinate Franz-Josef Strauss. But Strauss himself has said he knows nothing about it.

Meanwhile, Lorenz, the victim of the sensational kidnapping, is recuperating from his ordeal by swimming and hiking in the wine country of the Rhineland-Palatinate.

But the hiatus is misleading. The shock still hovering over the country has not subsided. Nor has the law-and-order hysteria that rose to a crescendo last week been perceptibly defused.

The real reverberations of Lorenz's kidnapping are yet to come. For whether or not that was their intention, his abductors have kindled feelings and set into motion forces with as yet unpredictable political ramifications.

### Major Debate

It is more like the calm before a storm. And the storm is expected to break on Thursday when the Bundestag will hold a major debate on the question of internal security.

The debate is not a direct consequence of the kidnapping. It had actually been placed on the parliamentary agenda some days before. But Lorenz's abduction has moved it into an entirely new light.

Domestic security—a theme that covers not only political terrorism but the spiraling rate of other crimes—has suddenly mushroomed into the overriding issues between Chancellor Helmut Schmidt's coalition government of Social Democrats and Free Democrats and the opposition Christian Democrats.

Properly exploited, by the opposition during the four remaining state elections this year, it could persuade even more voters to turn from the SPD-FDP coalition in 1976 than recession and unemployment.

And there is at least one Christian Democrat politician, Franz-Josef Strauss—who has already served notice that he intends to exploit the issue to the hilt.

"We will cooperate fully and support whatever decisions are reached for dealing with this situation," he said during last week's crisis. "But once Peter Lorenz has been freed, we intend to take this whole complex of radicalism and terrorism apart."

The Social and Free Democrats have been vulnerable on the subject for some time.

The SPD is open to charges that it is soft on political extremism from the left and underestimates radicals and terrorists. The FDP is open to the allegation that its Minister of the Interior, Werner Maaßen, is too intellectual and indecisive to deal with the mounting crime problems.

In fact, just a few weeks before the Lorenz abduction, Maaßen had declared flatly that anarchist groups such as the Baader-Meinhof gang, scheduled to go on trial in Westphalia in May, had been totally crushed and had neither successor nor imitator organizations.

Those words will be sure to haunt him on the floor of the Bundestag on Thursday.

Not only is there a persistent and mounting crime problem, but the charges of softness are easy enough to make stick in a country where at least the older generation is still inclined to

place traditional law and order values over the principles of democratic rights and where democratic remedies appeal to many as the best answer to complicated social and political challenges.

Although Peter Lorenz, upon his release, stressed that "I have again democratic needs, here which should not be planted by a police state," his selection as a hostage may have been more than coincidental.

For weeks preceding his kidnapping on the eve of the state election in West Berlin, he had conducted a low-and-order campaign designed to play on its emotions of terrorism—and crime-frightened citizens.

"Berliners live more dangerous," was the slogan under his portrait on the tens of thousands of campaign posters pasted up all over Berlin.

And he may have had a point for in no West German city has terrorism been as persistent and rampant or the crime rate has climbed as rapidly as in West Berlin.

On the other hand, in no other city is there such a concentration and dominance of public opinion by the emotionally right-wing Axel Springer press whose simplistic arguments evoke the innermost political and social fears of ordinary Germans.

So that as it may, one Berlin SPD official was certainly present when he predicted the Lorenz abduction "will cost us 5 per cent of the votes."

There were, of course, other factors contributing to the SPD FDP setback, but the link to the Lorenz kidnapping is hard to ignore.

Schmidt's coalition government may emerge as a winner. But even if it does, the SPD and FDP can do little.

Although the charges of softness, underestimation and indecisiveness may have some validity, the real problem is West Germany's federal and decentralized law enforcement system which allows for virtually no cooperation between the various police forces and crime investigating agencies.

Set up deliberately that way after World War II to prevent concentration of police powers such as existed during the Third Reich, it has led to the development of highly autonomous local law enforcement agencies. Jealous protection of their prerogatives serves as a bar to dealing effectively with the threat of modern forms of crime and political terrorism.

Just as some prominent West German politicians were quick to demand reintroduction of the death penalty last week, many have also called for establishment of a national police force or at least a coordinating agency similar to the American FBI.

The proposal is sure to be made again during the debate on Thursday, though to liberals and all those who remember the Gestapo and Heinrich Himmler's centralized police it will remain as much anathema as ever.

Whatever solution the SPD FDP eventually proposes, there is no question that Lorenz's abduction and the release of the five imprisoned anarchists has created a new political situation. Ironically, it has also exposed the weaknesses of the anarchist movement, believed to involve more than 100 to 120 active members. It disclosed how divided and factionalized they are among themselves.

### Refused Release

That the kidnappers did not demand the release of Ulfert Meinhof and Andreas Baader, the titular leaders of the German anarchist movement, and that Horst Mahler refused release from prison in exchange for Lorenz speaks for itself.

Anyone needing further proof of the anarchist movement's isolation and internal distrust had only to go to some of the West Berlin bars and taverns where left-wing extremists of every persuasion congregated last week to speak for itself.

For the "Second of June Movement" and its methods of murder, bank robbery and hostage-taking was matched only by that expressed in the Springer papers. But for Helmut Schmidt and his government there is little consolation in that. If reality is the public mood and the GDP's ability to exploit it.

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## OECD Says Economy in Italy Is Worsening

US, March 10 (AP-DJ)—economic downturn that in Italy last year is likely to worsen in the Organization for Economic Cooperation and Development (OECD) said today in its annual report on the Italian economy.

The report, which attributed the downturn to anticipated reduction in demand as well as to

## K. Reports Trade Deficit in Quarter

DON, March 10 (AP-DJ)—the registered current account deficit of \$1.075 billion, seasonal adjustment, in the fourth quarter, the Treasury said today.

The fourth-quarter result compared with a deficit of \$979 million in the third quarter and a deficit of \$492 million in the fourth quarter of 1974.

The big deficit came as no surprise to the government, which reported the trade deficit for the fourth quarter and an estimate of the invisible trade for the period.

The visible trade balance and invisible trade balance together made up the current account deficit.

The fourth-quarter visible trade was \$1.454 billion, seasonally adjusted, compared with a deficit of \$1.454 billion in the third quarter and a deficit of \$1.454 billion in the fourth quarter of 1974.

The invisible trade balance, which covers payments and receipts for such items as insurance, shipping and services, showed a fourth-quarter surplus of \$378 million, compared with a third-quarter surplus of \$1.075 billion and a year-earlier surplus of \$494 million.

The seasonal adjustment, fourth-quarter current account deficit of \$915 million in 1974, the current account deficit totaled a record \$1.075 billion, or very close to its estimate of \$1.075 billion.

The current account deficit was \$1.117 billion, including inflows in 1974 of \$2.338 billion, less transfers of \$775 million, produced an overall deficit on a liquidity basis of \$1.075 billion.

Liquidity deficit was reported by the Treasury as a deficit of \$1.075 billion, or very close to its estimate of \$1.075 billion.

The current account deficit was \$1.117 billion, including inflows in 1974 of \$2.338 billion, less transfers of \$775 million, produced an overall deficit on a liquidity basis of \$1.075 billion.

## Volkswagen Draws Protests On Plan to Shut Down Factory

By William Carley

WOLFSBURG, West Germany, March 10 (AP-DJ)—Volkswagen is on the verge of its first factory abandonment in its history, a move that is already stirring angry demonstrations.

Among VW's eight West German plants, the one at Neckarsulm, near Stuttgart, is to be permanently closed. The facility is producing the Audi 100 and the RO-80 cars.

The abandonment decision remains to be ratified by VW's supervisory board, a group of 21 nonmanagement directors. But one VW insider said ratification is "almost certain."

A special board meeting has been called for April 14 to vote on the question.

Unions and employees are certain to oppose the closure, especially because it is in an area where there is little manufacturing other than the VW plant, and hence few alternative jobs.

The plant, which employs 10,000, is in a town with a population of about 22,000.

In response to reports of the closure, unions have already started organizing opposition. Last Monday Neckarsulm merchants closed their doors and joined VW workers in a demonstration march against any closing. About 15,000 persons joined in the protest.

The demonstration has aimed at building up pressure on a meeting, last Tuesday, between

## Fed Warns on Loan Rate Decline

By Edwin L. Dale Jr.

WASHINGTON, March 10 (NYT)—Although the Federal Reserve Board reduced its discount rate last week and apparently lowered slightly once again its target for the key "federal funds" market interest rate, its high officials are warning that there is a limit to how much the Fed can and should force down short-term interest rates.

Arthur Burns, chairman of the reserve board, is letting it be known that a major "constraint" on how much the Federal Reserve can do is the international exchange rate of the dollar.

To the extent that U.S. interest rates, particularly short-term rates, are much lower than those in the other main industrial countries, money flows between countries tend to depress the dollar's value against other currencies in the present floating exchange rate monetary system.

Mr. Burns has pointed out that U.S. short-term rates are now the lowest of any of the 10 main countries and that long-term rates are the lowest of all but Switzerland. He has also noted that the reduction in U.S. interest rates has been faster than in any other country since the decline began last autumn.

U.S. Prestige Involved

The Federal Reserve chairman cares about the exchange rate of the dollar not only because a decline in the rate tends to add to inflation at home—as the price of imports rises—but also because of "prestige" factors involving the U.S. role in the world.

Apart from the international problem, Mr. Burns and many others in the Federal Reserve System are worried about another aspect of the interest-rate problem. It arises essentially from the way this nation's central bank must conduct its monetary policy.

Economists of the "monetarist" persuasion—those who believe that changes in the nation's money supply are the most important influence on the economy—have been agnostic that Federal Reserve policy has resulted in no growth at all in the narrowly defined money supply in the last three months.

This definition, called "M-1," includes demand

## 51% Say They're Liquidating Inventories

## U.S. Purchasing Managers Cut Stocks

By Herbert Koshetz

NEW YORK, March 10 (NYT)—A survey of U.S. purchasing managers showed that 51 percent of them are liquidating stocks, compared with 45 percent a month earlier.

This was further indicated by an increase in the number of managers who are not adding to stocks—13 percent in February, against 10 percent in January.

The association points out that for the first time since the 1958 recession more than half of its members have reported reductions in purchased inventories.

Members of the association said that business conditions were continuing to deteriorate, with an increase in unemployment and a decline in new orders and production.

Purchasing managers also reported that in February they began to see price declines on an overall basis. For the first time since early 1963, there were more managers reporting prices going down than those reporting prices going up. The count was 24 percent who found price declines against 23 percent who found price increases.

Members said that supplies indicated they were now in a position to hold prices firm for extended periods of time—in some cases up to a year. Other members felt that price declines had not yet matched the pace of declining sales and reduced production.

## SEC Panel Urges National Stock Market

WASHINGTON, March 10 (AP-DJ)—A Securities and Exchange Commission advisory panel has urged that U.S. stock exchanges be consolidated into a single national securities exchange run by a public board.

Although the recommendation is sure to spark controversy, it is expected to move the SEC a step closer to realizing its long-envisioned plans to remodel stock exchanges into a central and more efficient market.

## After Hesitation Early in Session Late Rally Pushes N.Y. Stocks Up

NEW YORK, March 10 (NYT)—Stocks rallied late in the New York Stock Exchange session today, closing higher after shaking off early hesitation.

The Dow Jones industrial average advanced 6.03 points to 756.13. It was down about 5 points early in the session and little changed through mid-session.

Advancing issues outpaced losers by 582 to 499. Volume totaled 26.89 million shares compared with 26.93 million shares Friday.

Analysis attributed early selling and mid-session uncertainty largely to profit-taking on strong earlier gains, inspired in part by the deepening recession. They added that late buying was related to a continuing decline in interest rates and hope for an economic recovery in the third quarter this year.

After the stock market closing Friday, the Federal Reserve Board announced a new 1.2-point cut in the discount rate to 5 1/4 percent. Most major banks have cut their prime rate to 8 percent from 9 1/4 percent, with some banks as low as 7 3/4 percent.

Ryder Systems was one of the most active Big Board issues, tacking on 5 1/2 to 5 7/8. Barrons Magazine reported that Ryder has been the fastest growing truck lessor of the major companies although Ryder expects to report a steep loss for 1974.

Fluor slipped 3 1/2 to 24 5/8 in active trading. The company said last week that subsidiaries won a \$1-billion South African chemicals-from-coal project and management planned to recommend a doubling of the dividend to 10 cents. The stock jumped 4 1/4 points last week and analysts attributed today's loss to profit-taking.

Marley climbed 2 1/8 to 25 7/8. Barrons Magazine commented favorably on the company's earnings outlook.

Stone & Webster declined 2 1/2 to 44. The company said it knew of no reason for an imbalance of orders that delayed the start of trading in its shares. However, on Friday, the company said in its annual report that it expected a decline in 1975 earnings from continuing operations.

Hilton Hotels advanced 1 1/4 to 22 3/4 after announcing a tender offer for 1 million of its common shares at \$25 a share.

A block of 250,000 Alcan Aluminum shares crossed at 19 1/2 with the issue closing at 19 3/8, down 7/8.

The American Stock Exchange index closed up 0.56 to 78.22.

## Multinationals Called a Cause Of World Economic Instability

WASHINGTON, March 10 (AP)—Multinational corporations have grown beyond the reach of traditional government controls and are major contributors to today's economic problems, according to the authors of a new study of the giant global firms.

In an interview, Richard Barnett and Ronald Muller, authors of "Global Reach," predicted that if decisive action is not taken soon to control the multinationals, they will continue feeding instability that could plunge the nation into a depression comparable to that of the 1930s.

"Somewhere around the period of 1977 or 1978, because of our inability to control credit and because of our inability to control global money supplies and particularly global banking transactions, we're going to get a crash," Mr. Muller said. "And I put that at a 60-percent probability level."

Mr. Muller, an economist, and Mr. Barnett, a political scientist, criticized the Ford administration and Congress alike for failing to recognize the fundamental economic changes wrought by the multinationals.

Mr. Barnett said "The U.S. economy, while it used to be an independent, separate national economy that could be managed reasonably effectively by government within the confines of the borders of the United States, becomes really the North American division of the global economy."

Loyalty Questioned

"The fundamental problem posed by the global corporation is this political question of loyalty," Mr. Barnett added. "To what extent are they prepared to give up possibilities for global profit maximization in the interest of the economy of the United States and the economic welfare of a majority of the people of this country?"

## Ex-Sindona Firm And Swiss Bank Settle on Claims

BASEL, March 10 (AP)—Swiss Bank Corp. today announced it has reached an agreement with Italy's Societa Generale Immobiliare on the settlement of claims incurred when the Italian company was still controlled by financier Michele Sindona.

A statement said Banco di Roma assisted in the settlement that was "satisfactory to both parties."

No figures were given in the statement, which came seven weeks after the Swiss bank threatened legal steps to enforce what then were called "probably substantial" claims.

At the time, the bank said SGI was contesting its responsibility for any of the liabilities incurred by the group "in connection with foreign exchange and precious metal operations."

## U.S. Grain Dealers Foresee Sizable Reserves of Wheat

By Seth S. King

CHICAGO, March 10 (NYT)—As exports of American grain remained below last year's levels and the prospects for a huge American wheat crop remained very good last week, grain dealers foresaw the possibility of accumulating sizable reserves of wheat during the crop year beginning July 1. As always, however, the dominant factor in this outlook is the weather.

If it continues near normal for the next six weeks, the winter wheat, with an additional 6 percent of it already planted and growing, should yield an even larger crop than last year's record.

Other grain farmers in the Middle West are still expected to plant all their available land in corn and soybeans in the next two months. Again, if the weather in these areas is near normal, there could be record total yields of those crops.

Even if the final totals fall slightly below the Agriculture Department's current estimates, the prospect of large grain supplies, combined with an easing of

## Company Report

Brown Group	1973	1974a
Revenue (millions)	176.4	169.2
Profits (millions)	2.4	5.2
Per Share	0.33	0.73

a—reflects change to LIFO inventory valuation.

## Japan Housing Decline

TOKYO, March 10 (AP-DJ)—Japan's housing construction starts totaled 1,315,100 units in 1974, down 30.9 percent from a year earlier, the Construction Ministry said today. In December alone, housing construction starts aggregated 36,500 units, down 38 percent from a year earlier.

## Dollar Falls on Europe Marts After Fed Cuts Discount Rate

NEW YORK, March 10 (AP-DJ)—The dollar declined against 1 European currencies today as short-term Eurodollar dropped relatively sharply in a half-point cut in the discount rate.

The dollar fell to around 2.3240 from 2.34 late Friday after fixed at 2.3330 in the early a.m. when the Bundesbank said \$2 million.

Early, the dollar eased to 2.4755 Swiss francs from Friday when New York suddenly bid up the rates in the European day.

Meanwhile, gold declined in the bullion market to \$176 an ounce, down from \$178 offered, down from Friday to the lowest since Feb. 12.

Foreign exchange dealer said the turnover did not appear very large.

However, one Eurodollar rates dropped 3 percent offered from 6.69 cent Friday, while three as cashed to 6.75 percent 7.06 percent. The decline of initially weakened the dollar's demand left over New York banks Friday.

However, when New York again entered the foreign

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No salesman will call. All inquiries confidential.

DITCO LIMITED

Registrar & Transfer, 37, Rue de Lausanne CH-1201 Geneva Switzerland



-1975- Stocks and Div in \$					-1975- Stocks and Div in \$					-1975- Stocks and Div in \$				
High.	Low.	Sts.	Net		High.	Low.	Sts.	Net		High.	Low.	Sts.	Net	
		P/E 100s.	High Low	Last chge			P/E 100s.	High Low	Last chge			P/E 100s.	High Low	Last chge
416	30	100	7	116	25	31	100	7	116	25	31	100	7	116
181	16	100	7	116	25	31	100	7	116	25	31	100	7	116

## International Bonds Traded in Europe

[illegible]

Cumulative 9999	92 1/2	96 1/2	Scott 84-86	100 1/4	101 1/4	Hammer 4-7-87	108	110
Conf Tel 814-86	94 1/2	95 1/4	Shel 8-86	95 1/4	96 1/4	Hayeswell 6-86	81	83
Copen Coun 744-87	85 1/2	86 1/4	Shel 714-87	93 1/4	94 1/4	ITT 424-87	68	70
Copen Tel 814-86	94	95	Singer 11-77	100 1/4	101 1/4	L.S.E. 614-89	82 1/2	84 1/2
Corning 814-86	98 1/4	99 1/4				McDerm 424-87	104 1/4	106 1/4

[illegible]

Convertible Bonds		Med.	Long	Conv.
101	102			
100 1/2	101 1/2			
93 1/2	94 1/2	Amexco 4 1/2-87	81 1/2	83 1/2
80	82	Am Tob 5 1/2-86	108	110
		Yesterday	97.25	88.14
		Previous	97.25	88.05

[illegible]

Prem. Gas .....	bid	117	120	120	120
117.75 .....	after	120	125	127	127
Gasoil .....	bid	82	84	85	85
82.25 .....	offer	84.5	88	90	95

**Forward Contract  
Exchange**

Kersiraal 363  
Amsterdam.  
Telex: 16102.

[illegible]

The Board of Directors of Schlumberger Ltd. declared a 3-for-2 split of the common stock of the company. Each shareholder of two shrs. per record as of March 21st, 1975 will

SUGAR, No. 11 (55 tons) ... ..					Mar	63.20	63.20	63.00	63.10	63.20	Oct	62.71	44.81	45.65	44.00	44.78	Mar	175.10	177.00	175.30	176.70	177.00
Open High Low Close Prev					Sales: 631.						Oct	44.50	45.10	45.10	44.75	45.00	Mar	175.30	177.00	175.30	176.70	177.00
May 26.25 26.40 25.75 26.25 26.83					...MAINE POTATOES (50,000 lbs) ...					Apr	3.13	3.22	3.12	3.12	3.14	May	175.10	177.00	175.30	176.70	177.00	
					Apr	2.68	2.75	2.64	2.64	2.68	May	2.68	2.75	2.64	2.64	2.68	Jun	175.10	177.00	175.30	176.70	177.00
					May	4.37	4.44	4.25	4.41	4.50	Jun	4.37	4.44	4.25	4.41	4.50	Jul	175.10	177.00	175.30	176.70	177.00
					Jun	5.01	5.07	5.01	5.07	5.07	Jul	5.01	5.07	5.01	5.07	5.07	Aug	175.10	177.00	175.30	176.70	177.00
					Sales: 1,130.					Aug	4.37	4.44	4.25	4.41	4.50	Sep	175.10	177.00	175.30	176.70	177.00	
					GOLD (100 troy oz) ...					Sep	175.10	177.00	175.30	176.70	177.00	Oct	175.10	177.00	175.30	176.70	177.00	
					Mar	176.00	177.00	175.00	176.70	177.00	Nov	175.10	177.00	175.30	176.70	177.00	Nov	175.10	177.00	175.30	176.70	177.00
					Apr	177.10	177.00	177.00	177.00	177.00	Dec	175.10	177.00	175.30	176.70	177.00	Dec	175.10	177.00	175.30	176.70	177.00
					May	178.00	178.00	178.00	178.00	178.00	Jan	177.10	177.00	177.00	177.00	177.00	Jan	177.10	177.00	177.00	177.00	177.00
					Jun	179.00	179.00	179.00	179.00	179.00	Feb	178.00	178.00	178.00	178.00	178.00	Feb	178.00	178.00	178.00	178.00	178.00
					Jul	180.00	180.00	180.00	180.00	180.00	Mar	180.00	180.00	180.00	180.00	180.00	Mar	180.00	180.00	180.00	180.00	180.00
					Aug	181.00	181.00	181.00	181.00	181.00	Apr	181.00	181.00	181.00	181.00	181.00	Apr	181.00	181.00	181.00	181.00	181.00
					Sep	182.00	182.00	182.00	182.00	182.00	May	182.00	182.00	182.00	182.00	182.00	May	182.00	182.00	182.00	182.00	182.00
					Oct	183.00	183.00	183.00	183.00	183.00	Jun	183.00	183.00	183.00	183.00	183.00	Jun	183.00	183.00	183.00	183.00	183.00
					Nov	184.00	184.00	184.00	184.00	184.00	Jul	184.00	184.00	184.00	184.00	184.00	Jul	184.00	184.00	184.00	184.00	184.00
					Dec	185.00	185.00	185.00	185.00	185.00	Aug	185.00	185.00	185.00								

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Hutton EF  
Hyuck Co  
Ideal Bas pf  
lli Power  
Ing Rand pf  
Inland Sil  
Integon Co  
Interco Inc

Oris Elev  
Quibb Mar  
Overn Tran  
Pac PowLI  
Parmla Inc  
Powell 2,50t  
Popeoas Gas  
Perk Elmur

Of 1,544 adults in 300 localities  
polled from Jan. 23 to Feb. 3, 48  
per cent favored a price increase,  
37 per cent favored a 10-gallon-a-  
week rationing plan, 10 per cent  
announced both ideas and 5 per cent

<b>Brussels</b> 171.50 172.00 172.50 173.00 173.50 174.00 174.50 175.00 175.50 176.00 176.50 177.00 177.50 178.00 178.50 179.00 179.50 180.00 180.50 181.00 181.50 182.00 182.50 183.00 183.50 184.00 184.50 185.00 185.50 186.00 186.50 187.00 187.50 188.00 188.50 189.00 189.50 190.00 190.50 191.00 191.50 192.00 192.50 193.00 193.50 194.00 194.50 195.00 195.50 196.00 196.50 197.00 197.50 198.00 198.50 199.00 199.50 200.00 200.50 201.00 201.50 202.00 202.50 203.00 203.50 204.00 204.50 205.00 205.50 206.00 206.50 207.00 207.50 208.00 208.50 209.00 209.50 210.00 210.50 211.00 211.50 212.00 212.50 213.00 213.50 214.00 214.50 215.00 215.50 216.00 216.50 217.00 217.50 218.00 218.50 219.00 219.50 220.00 220.50 221.00 221.50 222.00 222.50 223.00 223.50 224.00 224.50 225.00 225.50 226.00 226.50 227.00 227.50 228.00 228.50 229.00 229.50 230.00 230.50 231.00 231.50 232.00 232.50 233.00 233.50 234.00 234.50 235.00 235.50 236.00 236.50 237.00 237.50 238.00 238.50 239.00 239.50 240.00 240.50 241.00 241.50 242.00 242.50 243.00 243.50 244.00 244.50 245.00 245.50 246.00 246.50 247.00 247.50 248.00 248.50 249.00 249.50 250.00 250.50 251.00 251.50 252.00 252.50 253.00 253.50 254.00 254.50 255.00 255.50 256.00 256.50 257.00 257.50 258.00 258.50 259.00 259.50 260.00 260.50 261.00 261.50 262.00 262.50 263.00 263.50 264.00 264.50 265.00 265.50 266.00 266.50 267.00 267.50 268.00 268.50 269.00 269.50 270.00 270.50 271.00 271.50 272.00 272.50 273.00 273.50 274.00 274.50 275.00 275.50 276.00 276.50 277.00 277.50 278.00 278.50 279.00 279.50 280.00 280.50 281.00 281.50 282.00 282.50 283.00 283.50 284.00 284.50 285.00 285.50 286.00 286.50 287.00 287.50 288.00 288.50 289.00 289.50 290.00 290.50 291.00 291.50 292.00 292.50 293.00 293.50 294.00 294.50 295.00 295.50 296.00 296.50 297.00 297.50 298.00 298.50 299.00 299.50 300.00 300.50 301.00 301.50 302.00 302.50 303.00 303.50 304.00 304.50 305.00 305.50 306.00 306.50 307.00 307.50 308.00 308.50 309.00 309.50 310.00 310.50 311.00 311.50 312.00 312.50 313.00 313.50 314.00 314.50 315.00 315.50 316.00 316.50 317.00 317.50 318.00 318.50 319.00 319.50 320.00 320.50 321.00 321.50 322.00 322.50 323.00 323.50 324.00 324.50 325.00 325.50 326.00 326.50 327.00 327.50 328.00 328.50 329.00 329.50 330.00 330.50 331.00 331.50 332.00 332.50 333.00 333.50 334.00 334.50 335.00 335.50 336.00 336.50 337.00 337.50 338.00 338.50 339.00 339.50 340.00 340.50 341.00 341.50 342.00 342.50 343.00 343.50 344.00 344.50 345.00 345.50 346.00 346.50 347.00 347.50 348.00 348.50 349.00 349.50 350.00 350.50 351.00 351.50 352.00 352.50 353.00 353.50 354.00 354.50 355.00 
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**THE PHILIPPINE  
INVESTMENT COMPANY S.A.**  
Net Asset Value as of  
February 28, 1978.

[illegible]

**ARIES FUND N.Y.**  
An investment company seeking maximum capital growth in American stock

[illegible]



# New York Stock Exchange Trading

Stocks and Bonds	High	Low	Open	Close	Net Change
1000 Dow Jones Ind. 1000	1410.00	1400.00	1405.00	1405.00	+10.00
1000 S&P 500 Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Comp. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Transp. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Util. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Fin. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Tech. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Health Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Energy Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Retail Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Food Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Drug Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Media Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Telecom Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Auto Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Equip. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Chem. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Paper Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Text. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Leather Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Rubber Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Glass Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Metal Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Plastics Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Electronics Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Aerospace Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Defense Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Misc. Ind. 1000	1000.00	990.00	995.00	995.00	+10.00
1000 NYSE Total Ind. 1000	1000.00	990.00	995.00	995.00	+10.00

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